

In Reply Refer To:

OEP/DG2E/Gas 1

North Baja Pipeline, LLC

FERC Docket Nos. CP06-61-000, -001, -002
CP01-23-003

CA State Clearinghouse No. 2006081127

BLM Reference No. CACA-42662

TO THE PARTY ADDRESSED:

The environmental staffs of the Federal Energy Regulatory Commission (FERC or Commission), the California State Lands Commission (CSLC), and the Bureau of Land Management (BLM) (collectively referred to as the Agency Staffs) have prepared this final environmental impact statement/environmental impact report and proposed land use plan amendment (final EIS/EIR/plan amendment) to address North Baja Pipeline, LLC's (North Baja) proposed expansion of its natural gas pipeline system.

This final EIS/EIR/plan amendment was prepared as required by the National Environmental Policy Act (NEPA), the California Environmental Quality Act, and the Federal Land Policy and Management Act. The purpose of this document is to inform the public and the permitting agencies about the potential adverse and beneficial environmental impacts of the proposed North Baja Pipeline Expansion Project (Project or proposed Project) and its alternatives, and recommend mitigation measures that would reduce the significant adverse impacts to the maximum extent possible, and, where feasible, to a less than significant level. The Agency Staffs have concluded that if the Project is constructed and operated in accordance with applicable laws and regulations, North Baja's proposed mitigation, and the Agency Staffs' additional mitigation measures, it would be an environmentally acceptable action.

The FERC is the lead Federal agency and will use the document to consider the environmental impacts that could result if it issues North Baja a Certificate of Public Convenience and Necessity and a Presidential Permit amendment under sections 7 and 3, respectively, of the Natural Gas Act. The CSLC is the lead State agency and will use the document to consider North Baja's application to amend its existing right-of-way lease across the State's Sovereign and School Lands in conjunction with the environmental impacts that could result from any part of the Project in California.

The BLM is participating as a cooperating agency in the preparation of this document because the Project would cross Federal land under the jurisdiction of the Palm Springs-South Coast, El Centro, and Yuma Field Offices. The Bureau of Reclamation (BOR) is also a cooperating agency in the preparation of this document because lands administered by the BOR would be crossed by the Project. Under section 185(f) of the Mineral Leasing Act of 1920, the BLM has the authority to issue Right-of-Way Grants for all affected Federal lands. This final EIS/EIR/plan amendment will be used by the BLM to consider whether to amend North Baja's existing Right-of-Way Grant and issue Temporary Use Permits for the installation of approximately 67.4 miles of pipeline and ancillary facilities across Federal lands managed by the BLM, the BOR, and the U.S. Fish and Wildlife Service (FWS). This final EIS/EIR/plan amendment will also be used by the BLM to consider amending the California Desert Conservation Area Plan (as amended), which would be necessary for pipeline construction outside of designated utility corridors, as well as amending the Yuma

District Resource Management Plan, which would be necessary for pipeline construction across the Milpitas Wash Special Management Area.

The BLM proposes to adopt this final EIS/EIR/plan amendment per Title 40 Code of Federal Regulations (CFR) Part 1506.3 to meet its responsibilities under NEPA and its planning regulations per Title 43 CFR Part 1610. The BLM will present separate Records of Decision for the Right-of-Way Grant and the plan amendments for the North Baja Pipeline Expansion Project after the issuance of the final EIS/EIR/plan amendment. The concurrence or non-concurrence of the BOR and the FWS would be considered in the BLM's decision.

The existing North Baja system is currently certificated by the FERC to transport 512,500 dekatherms per day (Dthd) (500 million standard cubic feet per day [MMscfd]) of natural gas in a southbound direction. Once completed, the expanded system would be capable of transporting up to 2,932,000 Dthd (2,753 MMscfd) of natural gas from planned liquefied natural gas (LNG) storage and vaporization terminals located on the Baja California coast in Mexico in a northbound direction for delivery to customers in California and Arizona. In addition to the new volumes from the LNG terminals, North Baja would continue to offer southbound gas transportation service for several existing shippers.

This final EIS/EIR/plan amendment addresses the potential environmental effects of the construction and operation of the following facilities proposed by North Baja:

- up to 79.8 miles of pipeline loop¹ (B-Line) adjacent to North Baja's existing pipeline (A-Line) consisting of 11.7 miles of 42-inch-diameter pipeline extending from the existing Ehrenberg Compressor Station at milepost (MP) 0.0 in La Paz County, Arizona to the existing Rannells Trap at MP 11.7 in Riverside County, California, and 68.1 miles of 48-inch-diameter pipeline extending from Rannells Trap to an interconnection at the U.S.-Mexico border at MP 79.8 in Imperial County, California;
- 2.1 miles of 36-inch-diameter pipeline lateral² (Arrowhead Extension) extending from the proposed B-Line at MP 7.4 to Southern California Gas Company's (SoCalGas) existing Blythe Compressor Station in Riverside County;
- 45.7 miles of 16-inch-diameter pipeline lateral (Imperial Irrigation District [IID] Lateral) extending from MP 74.5 of the B-Line near the existing Ogilby Meter Station to the existing IID El Centro Generating Station in Imperial County;
- modifications at the existing Ehrenberg Compressor Station in LaPaz County and the existing Ogilby Meter Station in Imperial County to allow northbound flow of natural gas;
- metering modifications inside the existing El Paso Natural Gas Company (El Paso) Meter Station at the Ehrenberg Compressor Station site to allow LNG-source gas to be delivered into the El Paso system;
- one meter station (Blythe-Arrowhead Meter Station) at SoCalGas' existing Blythe Compressor Station in Riverside County to measure gas delivery from the North Baja system to SoCalGas;

¹ A loop is a segment of pipeline that is usually installed adjacent to an existing pipeline and connected to it at both ends. The loop allows more gas to be moved through the system.

² A lateral pipeline typically takes gas from the main system to deliver it to a customer, local distribution system, or another interstate transmission system.

- one meter station (El Centro Meter Station) at the IID's existing El Centro Generating Station in Imperial County to measure gas delivery from the North Baja system to the IID;
- two taps and crossover piping where the Arrowhead Extension would connect with the existing A-Line and proposed B-Line in Riverside County;
- one tap where the IID Lateral would connect with the proposed B-Line in Imperial County;
- four pig³ launchers;
- five pig receivers;
- nine remote manual valves with automatic shutdown capability on the B-Line, adjacent to the existing A-Line valve sites; and
- four remote manual valves with automatic shutdown capability on the IID Lateral.

The final EIS/EIR/plan amendment has been placed in the public files of the FERC and the CSLC and is available for public inspection at:

Federal Regulatory Energy Commission
Public Reference Room
888 First St. NE; Room 2A
Washington, DC 20426
(202) 208-1371

California State Lands Commission
100 Howe Avenue, Suite 100 South
Sacramento, CA 95825
(916) 574-1938

The final EIS/EIR/plan amendment is also available for viewing on the FERC and CSLC websites at the Internet addresses below.

www.ferc.gov

www.slc.ca.gov

A limited number of copies of the final EIS/EIR/plan amendment are available from the FERC's Public Reference Room identified above. These copies may be requested in hard copy or as .pdf files on a CD that can be read by a computer with a CD-ROM drive. In addition, copies of the final EIS/EIR/plan amendment have been mailed to Federal, State, and local government agencies; elected officials; Native American tribes; affected landowners; local libraries and newspapers; intervenors to the FERC's proceeding; and other interested parties. Hard copies of the final EIS/EIR/plan amendment can be viewed at the following libraries in the Project area:

Yuma County Library District
350 3rd Avenue
Yuma, AZ 85364

Imperial Public Library
200 W. 9th Street
Imperial, CA 92251

Palo Verde Valley Library
125 W. Chanslorway
Blythe, CA 92225

City of Rancho Mirage Public Library
42-520 Bob Hope Drive
Rancho Mirage, CA 92270

³ A pig is an internal tool that can be used to clean and dry a pipeline and/or to inspect it for damage or corrosion.

El Centro Public Library
539 State Street
El Centro, CA 92243

Glen Avon Library
9244 Galena Street
Riverside, CA 92509

Hemet Public Library
510 E. Florida Avenue
Hemet, CA 92543

Palo Verde District Library
701 Silver Spur Road
Rollins Hills Estates, CA 90274

Holtville City Library
101 E. 6th Street
Holtville, CA 92250

Additional information about the Project is available from the FERC's Office of External Affairs at **1-866-208-FERC** or on the FERC Internet website (www.ferc.gov) using the eLibrary link. Click on the eLibrary link, click on "General Search," and enter the docket number excluding the last three digits in the Docket Number field. Be sure you have selected an appropriate date range. For assistance, please contact FERC Online Support at FERCOnlineSupport@ferc.gov or toll free at 1-866-208-3676, or for TTY, contact (202) 502-8659. The eLibrary link on the FERC Internet website also provides access to the texts of formal documents issued by the FERC, such as orders, notices, and rule makings.

In addition, the FERC now offers a free service called eSubscription that allows you to keep track of all formal issuances and submittals in specific dockets. This can reduce the amount of time you spend researching proceedings by automatically providing you with notification of these filings, document summaries, and direct links to the documents. To register for this service, go to the eSubscription link on the FERC Internet website.

Information concerning the involvement of the CSLC in the EIS/EIR process may be obtained from Tom Filler, Project Manager, at (916) 574-1938, or on the CSLC Internet website at www.slc.ca.gov.

Information concerning the proposed land use plan amendments and the involvement of the BLM in the EIS/EIR and plan amendment process may be obtained from Lynda Kastoll, Project Manager, at (760) 337-4421.

The CSLC is expected to consider certification of the final EIS/EIR and act on North Baja's application at a regularly scheduled meeting in mid-2007. Interested parties will be notified of the date, time, and location of the meeting. If you have any questions regarding the CSLC hearing, or wish to testify, please contact Tom Filler at the number above.

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